

## 2003 DRAFTING REQUEST

### Assembly Substitute Amendment (ASA-AB362)

Received: 07/15/2003

Received By: pkahler

Wanted: Soon

Identical to LRB:

For: DuWayne Johnsrud (608) 266-3534

By/Representing: Julie

This file may be shown to any legislator: NO

Drafter: pkahler

May Contact:

Addl. Drafters:

Subject: Insurance - health

Extra Copies:

Submit via email: YES

Requester's email: Rep.Johnsrud@legis.state.wi.us

Carbon copy (CC:) to:

---

#### Pre Topic:

No specific pre topic given

---

#### Topic:

Limit no deductible and 20% copay for prescription drugs for diabetes to medicare supplement policies

---

#### Instructions:

See Attached

---

#### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 07/16/2003	kfollett 07/16/2003					
/1			chaskett 07/16/2003		lemery 07/16/2003	lemery 07/16/2003	

07/16/2003 03:53:38 PM

Page 2

FE Sent For:

**<END>**

**2003 DRAFTING REQUEST****Assembly Substitute Amendment (ASA-AB362)**

Received: 07/15/2003

Received By: pkahler

Wanted: Soon

Identical to LRB:

For: DuWayne Johnsrud (608) 266-3534

By/Representing: Julie

This file may be shown to any legislator: NO

Drafter: pkahler

May Contact:

Addl. Drafters:

Subject: Insurance - health

Extra Copies:

Submit via email: YES

Requester's email: Rep.Johnsrud@legis.state.wi.us

Carbon copy (CC:) to:

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Limit no deductible and 20% copay for prescription drugs for diabetes to medicare supplement policies

---

**Instructions:**

See Attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler	11 kjf 7/16	1 cph 7/16	ps/cph 7/16			

FE Sent For:

&lt;END&gt;

7-15 Julie - Johnson

need sub to AB 362

limit provision to medigap (medicare  
supplement) policies

want

\* no deductible and 20% copay  
for prescription drugs  
for diabetes treatment

(under admin rule INS 3.39(5)(c)15.  
there is a \$6,250 deductible for  
all drugs + then a 20%  
copay)

7-16 Julie  
called — change to no deductibles  
or copays  
—  
under med. supp. policies



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRBs0135/A

PJK: [signature]

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

ASSEMBLY SUBSTITUTE AMENDMENT,  
TO 2003 ASSEMBLY BILL 362

Today  
needed  
this  
afternoon  
(Wed)

generat

1 AN ACT *generat*; relating to: coverage of prescription drugs for the treatment of  
2 diabetes under Medicare supplement policies.

*Analysis by the Legislative Reference Bureau*

Under current law, health insurance policies that cover expenses for the treatment of diabetes are required to provide coverage for the installation and use of an insulin infusion pump, for all other equipment and supplies used in the treatment of diabetes, including insulin and other prescription medication, and for diabetic self-management education programs. The required coverage may be subject to any exclusions, limitations, deductibles, and coinsurance provisions that apply generally under the policy or plan, with the exception that insulin infusion pump coverage may be limited to the purchase of one pump per year.

Medicare supplement policies are required by administrative rule to provide coverage for at least 80% of the charges for prescription drugs after a drug deductible of no more than \$6,250 per calendar year. The requirement applies to coverage of prescription drugs for the treatment of diabetes, also. This ~~bill~~ provides that ~~Medicare supplement policy must cover at least 80% of the charges for~~ prescription

substitute amendment

coverage of

under a Medicare supplement policy  
 medication for the treatment of diabetes ~~but~~ may not ~~impose a deductible with~~  
~~respect to those charges~~

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. 632.81 of the statutes is amended to read:

**632.81 Minimum standards for certain disability policies.** The Subject  
 to s. 632.895 (6) (b), the commissioner may by rule establish minimum standards for  
 benefits, claims payments, marketing practices, compensation arrangements, and  
 reporting practices for ~~medicare~~ <sup>Medicare</sup> supplement policies, ~~medicare~~ <sup>Medicare</sup> replacement policies,  
 and long-term care insurance policies. The Except as provided in s. 632.895 (6) (b),  
 the commissioner may by rule exempt from the minimum standards certain types  
 of coverage, if the commissioner finds the exemption is not adverse to the interests  
 of policyholders and certificate holders.

History: 1981 c. 82; 1985 a. 29; 1989 a. 31, 332.

SECTION 2. 632.895 (6) of the statutes is renumbered 632.895 (6) (intro.) and  
 amended to read:

**632.895 (6) EQUIPMENT AND SUPPLIES FOR TREATMENT OF DIABETES.** (intro.) Every  
 disability insurance policy ~~which~~ that provides coverage of expenses incurred for  
 treatment of diabetes shall provide coverage for expenses incurred by the  
 installation and use of an insulin infusion pump, coverage for all other equipment  
 and supplies, including insulin or any other prescription medication, used in the  
 treatment of diabetes, and coverage of diabetic self-management education  
 programs. Coverage required under this subsection shall be subject to the same  
 exclusions, limitations, deductibles, and coinsurance provisions of the policy as other  
 covered expenses, except that insulin as follows:

be subject to any deductibles, copayments, or coinsurance

(a) Insulin infusion pump coverage may be limited to the purchase of one pump per year and the insurer may require the insured to use a pump for 30 days before purchase.

**SECTION 3.** 632.895 (6) (b) of the statutes is created to read:

632.895 (6) (b) If the policy is a Medicare supplement policy, ~~it shall cover at least 80% of the charges for prescription medication for the treatment of diabetes and may not impose a deductible with respect to those charges.~~

#### SECTION 4. Initial applicability.

(1) This act first applies to Medicare supplement policies that are issued or renewed on the effective date of this subsection.

**SECTION 5. Effective date.**

(1) This act takes effect on the first day of the 4th month beginning after publication.

**(END)**

coverage of prescription medication for the treatment of diabetes may not be subject to any deductibles, copayments, or coinsurance